

Medicare Prescription Drug Coverage Annual Enrollment: *Changes Force Some Seniors to Choose New Policies*

Seniors receiving Social Security benefits will not be getting a cost-of-living-adjustment in the coming year, so it is more important than ever to make sure your Medicare prescription plan is the best for your budget and your needs. Also, this year, some plans have chosen not to renew their contract with the Centers for Medicare and Medicaid Services (CMS), meaning some seniors may be forced to choose a new option. During open enrollment for Medicare prescription drug coverage, Nov. 15 - Dec. 31, 2009, the National Association of Insurance Commissioners (NAIC) offers this information to help you get smart about your insurance options.

What are my options if I want Medicare prescription drug coverage?

You can enroll in a stand-alone Medicare prescription drug plan if you have original (traditional) Medicare; or, you can enroll in a Medicare Advantage plan (which replaces original Medicare) that includes prescription drug coverage. Private insurance companies sell Medicare prescription drug plans and Medicare Advantage plans approved by Medicare. Everyone with Medicare is eligible to enroll in Medicare prescription drug coverage regardless of income or assets, and coverage is voluntary.

What do I need to consider when choosing a plan?

Compare plans and select the one that best meets your individual needs. Consider:

- If all of your prescriptions are on the plan's list of drugs (called a formulary).
- If your preferred pharmacy is on the plan's list.
- What co-payments you will be responsible for paying when filling a prescription.
- If the premium, deductible and cost-sharing requirements for your preferred plan is affordable.
- If there is a coverage gap where you are responsible for all of the costs, and whether this is affordable.
- If it is a Medicare Advantage plan – review the network rules and if your current providers (such as doctors and hospitals) are covered.
- How enrollment in the new plan impacts coverage you already have (including employer-sponsored or other retiree coverage or a Medicare supplement insurance plan) or your enrollment in original Medicare.

What if I am already enrolled in a Medicare prescription drug plan or a Medicare Advantage Plan with prescription drug coverage?

Plan features might change from year to year. Carefully examine all available plans during the annual enrollment period because your current plan may no longer best meet your needs. Review the features of your plan, including the list of drugs covered, the list of participating pharmacies, the premium, the deductible, the cost-sharing requirements, the provider network and any coverage gaps. You do not need to do anything to remain in your current plan. If you enroll in or make changes to your plan during the annual open enrollment period, your new coverage begins Jan. 1, 2010. You should continue to pay premium for your old coverage through Dec. 31, 2009.

What if I already have other prescription drug coverage?

A Medicare prescription drug plan might provide more coverage than a Medicare supplement insurance (Medigap) policy or your current employer-provided prescription drug coverage. If Medicare considers your existing coverage to be "creditable" – meaning, coverage that is as good as the standard Medicare prescription drug coverage benefit – you are permitted to keep your current coverage without incurring future penalties. However, if you do not enroll in a Medicare drug plan when you are

first eligible for Medicare, and you do not have other creditable prescription drug coverage, you may be subject to a penalty if you decide to enroll at a later time. Check with your employer or Medigap plan before dropping an employer-provided prescription drug coverage or Medigap plan because you may not be able to get it back.

What if I am enrolled in a Medicare Advantage plan that is not renewing for 2010?

Certain Medicare Advantage plans (including some with prescription drug coverage) have chosen not to renew their contracts with CMS for 2010. If you have received notice that your plan will not renew in 2010, you should have received information about your options for selecting a new Medicare Advantage plan or returning to original Medicare. If you return to original Medicare, you can still apply for Medicare prescription drug coverage and/or Medicare supplement (Medigap) coverage.

Marketing Rules

State and federal rules are in place to protect consumers against abuses in the marketing and sales of Medicare prescription drug plans and Medicare Advantage plans. Individuals who contact you about any type of private Medicare coverage:

- Must be licensed by the state. Check with your state's insurance department to make sure the salesperson is a licensed agent. Find a link to your state insurance department's Web page at www.naic.org/state_web_map.htm.
- May not make unsolicited contact such as door-to-door sales, cold calls or approaching you in a parking lot.
- Must have made an appointment before coming to your home.
- Must arrange in advance the type of products that will be discussed during a scheduled sales appointment. At the appointment, the salesperson may not try to sell you other types of insurance coverage other than the type(s) agreed upon in advance.
- May not try to sell you non-health care related products (like a life insurance policy or an annuity) during a sales or marketing presentation of a Medicare prescription drug or Medicare Advantage plan.
- May not attempt to sell you a plan in certain health care settings, such as in a doctor's office or in a pharmacy.
- May not attempt to sell you a plan at an educational event.
- May not offer you free meals at promotional or sales events.
- May not offer you gifts or other promotional items whose value is in excess of \$15.

Medicare Fraud

Unfortunately, not everyone who contacts you about switching to a Medicare drug plan has the best intentions. To protect yourself from scam artists intent on taking advantage of your situation, here are some additional tips to avoid becoming a victim:

- Beware of door-to-door sales people. Remember, agents cannot solicit business at your home without an appointment. Do not allow uninvited agents into your home.
- Do not give out personal information, such as Social Security numbers, bank account numbers or credit card numbers to anyone you have not verified as a licensed agent. People are not allowed to request such personal information in their marketing activities and cannot ask for payment over the Internet. They must send you a bill. Once you decide to purchase a plan and have verified that the agent is licensed, you may give the agent personal information to assist in enrollment and billing.
- Verify that the plan you have chosen is an approved Medicare plan. All of the approved plans are available at www.medicare.gov or by calling 1-800-MEDICARE (1-800-633-4227).

Other Important Considerations

Federal assistance with premiums is available to Medicare beneficiaries who meet certain income requirements. If you think you may qualify, call the Social Security Administration at 1-800-SSA-1213 (1-800-772-1213).

Medicare beneficiaries may seek assistance in reviewing options for coverage and obtaining financial assistance by contacting their State Health Insurance Assistance Program (SHIP). Go to the NAIC Web site (www.naic.org/state_web_map.htm) for a link to your state insurance department.

More Information

For more information about your Medicare prescription drug options including an online Medicare Prescription Drug Plan Finder, go to www.medicare.gov.

Find more information about your changing insurance needs and tips for choosing the coverage that is best for your and your family at www.InsureUOnline.org.

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About the NAIC

Formed in 1871, the [National Association of Insurance Commissioners \(NAIC\)](http://www.naic.org) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more consumer information, visit insureUonline.org.